

EXHIBIT I

IN THE HIGH COURT OF JUSTICE
QUEEN'S BENCH DIVISION
COMMERCIAL COURT

2005 Folio No. 841

Court No 65
Royal Courts of Justice
The Strand
London WC2A2U

Before:
MR JUSTICE WALKER

BETWEEN:

HSBC BANK PLC

Claimant

-and-

(1) 5TH AVENUE PARTNERS LIMITED AND OTHERS

Defendant

AND BETWEEN:

(1) MR KEVIN SO
(2) MS YAN LUCY LU
(3) MR CHARLES MARTIN EDWARDS
(4) MR ROBERT WILLIAM MANN

Part 20 Claimants

-and-

(1) 5TH AVENUE PARTNERS LIMITED
(2) MICHAEL ROBERT ALEXANDER BROWN
(3) HSBC BANK PLC
(4) EMULEX CONSULTORES E SERVICOS LDA

Part 20 Defendants

EMULEX CONSULTORES E SERVICOS LDA

Part 20 Claimant

-and-

(1) MICHAEL ROBERT ALEXANDER BROWN
(2) 5TH AVENUE PARTNERS LIMITED
(3) KEVIN SO
(4) YAN LUCY LU
(5) CHARLES MARTIN EDWARDS
(6) HSBC BANK PLC

MR E MCQUATER QC and MS HUTTON (instructed by Allen & Overy LLP) appeared on behalf of the Claimant.

MR N VINEALL QC and MR J BOWLING (instructed by Bivonas Solicitors) appeared on behalf of the 10th 11th and 13th Defendants.



Day 9

HSBC

18th October 2007

<p>1 A. I can't remember what she told me about the content of</p> <p>2 this letter.</p> <p>3 Q. You can't remember?</p> <p>4 A. Correct.</p> <p>5 Q. You see, Mr So -- I will come to that.</p> <p>6 Did Ms Lu tell you the circumstances in which she</p> <p>7 was given this document?</p> <p>8 A. I cannot remember.</p> <p>9 Q. Did she tell you that it was given to her in</p> <p>10 Mr Lopatin's hotel room in London?</p> <p>11 A. I cannot remember.</p> <p>12 Q. Did she tell you that it was handed to her by somebody</p> <p>13 she didn't know and whose role she didn't understand?</p> <p>14 A. I cannot remember.</p> <p>15 Q. In your conversation with Ms Lu, did she tell you that</p> <p>16 she had not visited HSBC?</p> <p>17 A. I cannot remember.</p> <p>18 Q. Did she tell you that she had not even spoken to any</p> <p>19 representative of HSBC?</p> <p>20 A. I cannot remember.</p> <p>21 Q. At the time of your discussion with Ms Lu on</p> <p>22 the telephone, on her return to Canada, how did you know</p> <p>23 that this letter of instruction was a genuine document</p> <p>24 at all and not a forgery? (Pause)</p> <p>25 A. Do you mean that a letter from HSBC can be a forgery?</p> <p>Page 13</p>	<p>1 her to open an account at HSBC, weren't you? That is</p> <p>2 what you were expecting, wasn't it?</p> <p>3 A. I authorised her to act on my behalf, I trusted her</p> <p>4 completely.</p> <p>5 Q. Well, the plan was, Mr So, that she would visit HSBC in</p> <p>6 London, and open a non-depletion account in both your</p> <p>7 names there; that was the plan, wasn't it? (Pause)</p> <p>8 A. I authorised Ms Lu and whatever she does in London is up</p> <p>9 to her.</p> <p>10 Q. Well, I suggest that you knew from your conversation</p> <p>11 with her that she had not visited HSBC, and you, Mr So,</p> <p>12 were having great difficulty in understanding how she</p> <p>13 could possibly have opened such an account? (Pause)</p> <p>14 That is right, isn't it, Mr So? What I am saying,</p> <p>15 Mr So, is that it would have been apparent from your</p> <p>16 discussion with Ms Lu, that she had not visited HSBC and</p> <p>17 you could not therefore understand how she could have</p> <p>18 opened an account for you and her there?</p> <p>19 A. I do not understand your question.</p> <p>20 Q. Well, let me try and make it clearer for you, Mr So. Do</p> <p>21 you recall we looked at some documents relating to your</p> <p>22 accounts at Salomon Smith Barney? You remember we</p> <p>23 looked at an application form and client agreement,</p> <p>24 Mr So? Which you've signed in nine places? You</p> <p>25 remember looking at that document, don't you?</p> <p>Page 15</p>
<p>1 Q. No, what I mean is: how did you know that this was</p> <p>2 a genuine letter from HSBC and had not been forged by</p> <p>3 one of the gentlemen that Ms Lu had met in London?</p> <p>4 A. I trusted HSBC, I never thought that anyone would forge</p> <p>5 a letter from HSBC. Can you tell me, were there</p> <p>6 instances that someone produced a letter of forgery from</p> <p>7 HSBC?</p> <p>8 Q. Well, I ask the questions, Mr So.</p> <p>9 So the possibility that the letter might be</p> <p>10 a forgery never crossed your mind?</p> <p>11 A. I said I trusted HSBC completely.</p> <p>12 Q. You didn't consider it would be sensible to check with</p> <p>13 HSBC that this was indeed a genuine document?</p> <p>14 A. I trusted HSBC completely.</p> <p>15 Q. Yes, but how did you know that this was a genuine HSBC</p> <p>16 letter, Mr So?</p> <p>17 A. It never occurred to me that someone will produce</p> <p>18 a letter of forgery from HSBC.</p> <p>19 Q. Now, you recall Mr So, that before Ms Lu went to London,</p> <p>20 you signed certain documents relating to the opening of</p> <p>21 a non-depletion account. Do you remember that?</p> <p>22 A. Are you referring to what I am required to do and that</p> <p>23 is a letter of authorisation regarding signatory, for</p> <p>24 Ms Lu?</p> <p>25 Q. Yes. So when Ms Lu went to London, you were expecting</p> <p>Page 14</p>	<p>1 A. Yes.</p> <p>2 Q. And that was a document you signed to open</p> <p>3 a sophisticated trading account at Salomon Smith Barney,</p> <p>4 isn't it? (Pause)</p> <p>5 It is not a hard question, Mr So. Those were</p> <p>6 documents that you signed to open your trading account</p> <p>7 at Salomon Smith Barney?</p> <p>8 A. Yes.</p> <p>9 Q. But you knew that Ms Lu hadn't signed any of that kind</p> <p>10 of documentation on her trip to London, had she?</p> <p>11 A. I do not know. I did not know.</p> <p>12 Q. She didn't tell you she had, did she?</p> <p>13 A. What you ask me, I do not know.</p> <p>14 Q. Well, you signed an authorisation before she went to</p> <p>15 open a bank account on your behalf. So I assume that</p> <p>16 when she returned to Canada, you discussed with her</p> <p>17 whether she had indeed opened such an account? (Pause)</p> <p>18 MR JUSTICE WALKER: What is your question, Mr McQuater?</p> <p>19 MR McQUATER: You had such a discussion, didn't you, Mr So?</p> <p>20 When Ms Lu returned to Canada, you had a discussion with</p> <p>21 her about whether she had indeed opened a bank account</p> <p>22 at HSBC on behalf of you and Ms Lu? Do you remember</p> <p>23 such a discussion, Mr So?</p> <p>24 A. Can you repeat your question?</p> <p>25 Q. Do you remember discussing with Ms Lu during your</p> <p>Page 16</p>

4 (Pages 13 to 16)

Day 9

HSBC

18th October 2007

<p>1 not -- I will start again.</p> <p>2 I am suggesting that you knew that Ms Lu had had no</p> <p>3 contact with HSBC and you realised that it was necessary</p> <p>4 to get these assurances in this letter directly from</p> <p>5 HSBC. That is correct, isn't it?</p> <p>6 A. No, it is wrong.</p> <p>7 Q. Which part of it is wrong?</p> <p>8 A. As I said before, I did not know the circumstance with</p> <p>9 regard Ms Lu's contact with HSBC London.</p> <p>10 Q. That is not true, is it, Mr So? It was quite apparent</p> <p>11 from your discussion with her that she had neither</p> <p>12 visited nor spoken to anyone at HSBC; that is right,</p> <p>13 isn't it?</p> <p>14 A. Which -- during which discussion I had mentioned that?</p> <p>15 Q. What I am suggesting is that it would have been obvious</p> <p>16 to you from your discussions with Ms Lu at this time</p> <p>17 when she returned to Canada from London that she had</p> <p>18 neither visited nor spoken to anyone at HSBC. That is</p> <p>19 correct, isn't it?</p> <p>20 A. Could you answer my last question?</p> <p>21 Q. I am afraid I ask the questions, Mr So.</p> <p>22 I am going to put it to you one more time.</p> <p>23 A. I understand now.</p> <p>24 Q. Well, do you agree that at this time, when this letter</p> <p>25 was drafted, you knew that Ms Lu had neither visited nor</p> <p style="text-align: center;">Page 29</p>	<p>1 any communications should have gone through him.*</p> <p>2 Now, let me try and refresh your memory, Mr So. If</p> <p>3 we could go together, please, to bundle page 113 --</p> <p>4 sorry, cross-examination bundle 2, page 113; we have in</p> <p>5 the top part of this page an email that Mr Brown sent to</p> <p>6 Ms Lu on 19th April. So that is the day after you had</p> <p>7 sent your enquiry to HSBC. And he says this:</p> <p>8 "Hi Lucy, regrettably your bank's communication to</p> <p>9 mine was unacceptable. I therefore have asked HSBC</p> <p>10 London to cease communication. Best wishes for</p> <p>11 the future, Michael Brown."</p> <p>12 Now, you had the conversation which is described in</p> <p>13 your statement, because Ms Lu had received this email</p> <p>14 from Mr Brown, didn't you?</p> <p>15 A. I do not know whether she had received any email from</p> <p>16 Mr Brown.</p> <p>17 Q. Well, she told you Mr Brown was furious. That is in</p> <p>18 your statement?</p> <p>19 A. Correct.</p> <p>20 Q. And I am quite sure, Mr So, that she told you about this</p> <p>21 email. That is right, isn't it?</p> <p>22 A. Wrong.</p> <p>23 Q. Well, how did she say she knew Mr Brown was furious</p> <p>24 then?</p> <p>25 A. I would not have known how did she know -- how she knew.</p> <p style="text-align: center;">Page 31</p>
<p>1 spoken to anyone at HSBC during her visit to London?</p> <p>2 A. No, totally wrong.</p> <p>3 Q. Well, that is a lie, isn't it, Mr So? You knew full</p> <p>4 well that she hadn't visited or spoken to HSBC and that</p> <p>5 is why you realised that it was important to get</p> <p>6 assurances directly from HSBC.</p> <p>7 A. Totally wrong.</p> <p>8 Q. You sent this letter off to HSBC on 18th April; we can</p> <p>9 see that from bundle -- page 98 is your version of this?</p> <p>10 A. Yes, correct.</p> <p>11 Q. You sent that off on the 18th.</p> <p>12 A. Correct.</p> <p>13 Q. And neither you nor Ms Lu received any reply from HSBC</p> <p>14 to this letter, did you?</p> <p>15 A. What did you refer to?</p> <p>16 Q. I am saying that neither you nor Ms Lu received any</p> <p>17 reply from HSBC to this letter.</p> <p>18 A. Correct.</p> <p>19 Q. Instead, if we can look, please, at paragraph 71 of your</p> <p>20 witness statement. I will read in the English, please</p> <p>21 follow in the Mandarin, Mr So:</p> <p>22 "I did not receive a response from HSBC London.</p> <p>23 I was told by Ms Lu that apparently HSBC London had</p> <p>24 passed on our letter to Mr Brown. He was, according to</p> <p>25 Ms Lu, furious that we had contacted the bank and that</p> <p style="text-align: center;">Page 30</p>	<p>1 Q. Was it of no interest to you to discover why a gentleman</p> <p>2 with whom you were about to invest US\$30 million might</p> <p>3 have become furious?</p> <p>4 A. I had not thought about it.</p> <p>5 Q. Well, didn't you ask Ms Lu why Mr Brown was furious?</p> <p>6 A. She said any correspondence should be done through</p> <p>7 Mr Brown.</p> <p>8 Q. Well, I would invite you to be somewhat more frank with</p> <p>9 the court, Mr So. I suggest that she did tell you about</p> <p>10 this email.</p> <p>11 A. Totally wrong.</p> <p>12 Q. And I suggest that you understood a number of things</p> <p>13 from your discussion with Ms Lu. First, I suggest that</p> <p>14 you knew that Mr Brown had said that your letter to HSBC</p> <p>15 was unacceptable. You knew that, didn't you?</p> <p>16 A. Yes, I knew about this point, yes.</p> <p>17 Q. Yes, thank you.</p> <p>18 Now, you also knew that Mr Brown had told Ms Lu that</p> <p>19 he had asked HSBC London to cease communication?</p> <p>20 A. No, I did not know.</p> <p>21 Q. Well, I suggest you knew that from your discussion with</p> <p>22 Ms Lu, and you therefore knew that you would not be</p> <p>23 receiving a response to your letter to HSBC. That is</p> <p>24 right, isn't it, Mr So? You knew that Ms Lu had been</p> <p>25 told that Mr Brown had told HSBC to cease communication?</p> <p style="text-align: center;">Page 32</p>

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1 A. No, I did not know.
2 Q. You knew at that point you weren't going to get
3 a response to your letter, didn't you? That is right,
4 isn't it?
5 A. I don't know.
6 Q. And you knew the reason for that was that Mr Brown had
7 told HSBC not to respond. You knew that, didn't you,
8 Mr So?
9 A. Could you just repeat?
10 Q. Yes. You knew at this stage that Mr Brown had told HSBC
11 not to reply to your letter?
12 A. No, I did not know.
13 Q. And we've seen from this email that we've looked at on
14 page 113, Mr So, that Mr Brown had found the letter so
15 unacceptable that he had called the deal off. Do you
16 remember Lucy telling you that, Ms Lu telling you that?
17 A. No, she did not tell me.
18 Q. Well, I suggest she did tell you that Mr Brown had
19 either called the deal off or was at least threatening
20 to call the deal off.
21 A. No, she did not tell me.
22 Q. Mr Brown's reaction to your letter to HSBC must have
23 been very surprising to you, Mr So, wasn't it? (Pause)
24 THE INTERPRETER: The interpreter would like to clarify with
25 the witness. (Pause)

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1 A. Okay. It didn't come as a surprise, it is more like
2 curious, because our letter was sent to HSBC bank. HSBC
3 bank did not answer my questions; instead they went
4 directly to ask Mr Brown. On top of that, after your
5 explanation to me today, when Mr Brown asked HSBC London
6 not to communicate with me, then HSBC London stopped
7 communicating with me. So you thought on the basis of
8 that I should be surprised? Is that what you meant,
9 Mr Counsel?
10 Q. Let me clarify. By your last answer, did you mean that
11 at the time, that is to say, on or about
12 19th April 2005, you knew that Mr Brown had told HSBC
13 not to respond to your letter?
14 A. Whether they should communicate with me, I didn't know
15 about that. My answers I just given is referring to
16 your question to say whether I was surprised.
17 Q. Okay. One reason why I suggest you would have been
18 surprised by Mr Brown's response -- I am sorry,
19 Mr Brown's reaction, is that it was contrary to
20 something he had previously told Ms Lu. To explain to
21 you what I mean, Mr So -- we've looked at it already but
22 let's look again at paragraph 58 of your statement:
23 "I recall Ms Lu saying that Mr Brown and Mr Lopatin
24 both had told her that if we had any doubts about
25 the investment we could contact Ms Amull at HSBC

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1 directly to make any further enquiries."
2 A. So now what is your question?
3 Q. Well, you told me before that that paragraph is true.
4 A. Yes.
5 Q. So, Mr Brown in reacting the way he did was acting
6 contrary to what he and Mr Lopatin had previously told
7 Ms Lu.
8 A. So what is your question? What would you need me to
9 answer?
10 Q. Let me try to simplify. Mr Lopatin and Mr Brown had
11 previously told Ms Lu that you and she could contact
12 HSBC directly. A few days later, you contact HSBC
13 directly and Mr Brown becomes furious. Didn't that
14 surprise you?
15 A. Before I answer this question, could you explain
16 something to me?
17 Q. What would you like to have explained, Mr So?
18 A. The letter was sent to HSBC, did the bank need to consult
19 with Mr Brown in advance?
20 Q. No, I ask the questions, Mr So.
21 I think you understand perfectly well what I am
22 putting to you.
23 A. I already asked your permission.
24 Q. Mr Brown, as you know, had told Ms Lu that you and she
25 could contact HSBC directly. That is exactly what you

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1 then did, and he became furious. Did that not worry
2 you?
3 A. On the contrary.
4 THE INTERPRETER: I said the witness should finish his
5 sentence before I interpret back.
6 A. Our understanding was our enquiry letter was sent to
7 the bank. However, before the bank could give us
8 a response, they had to go to consult with Mr Brown.
9 This proved to us Mr Brown must have been a very
10 important figure in the bank.
11 MR McQUATER: And you knew that Mr Brown had told the bank
12 not to respond? You know that, didn't you, Mr So?
13 A. No, I did not know.
14 Q. And Mr Brown's reaction did not worry you?
15 A. As I already answered, he was an important figure in
16 HSBC bank because the bank had to consult with him --
17 had to obtain his opinion.
18 Q. What did you understand was the reason why Mr Brown was
19 furious? Please, without your statement, please, Mr So.
20 Please close your statement. What did you understand
21 was the reason why Mr Brown was furious?
22 A. I already answered just now.
23 Q. Well, indulge me. Please answer again.
24 A. He wasn't pleased we contacted HSBC directly. He wasn't
25 pleased that we contacted the bank directly.

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9 (Pages 33 to 36)

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<p>1 said he doesn't know about the email. You have his 2 statement which says that he accepts he was told that 3 Mr Brown was furious. If we work from there as 4 the reference point, after that. 5 MR McQUATER: I see, my Lord. 6 MR JUSTICE WALKER: There is something that he accepts. 7 MR McQUATER: I was perhaps presuming too much. 8 Mr So, you remember being told by Ms Lu that 9 Mr Brown had become furious? 10 A. Yes. 11 Q. After that time, did you make any further attempt to 12 contact or get in touch with HSBC directly? 13 MR JUSTICE WALKER: Can I again identify some obvious 14 difficulties with the question. First, "you"; who is 15 you? Is that Mr So personally, or is that Ms Lu? 16 Second, when you refer to getting in touch with HSBC 17 directly, this man has just told you that he -- his 18 evidence was that he believed Mr Brown to have a very 19 high position in HSBC. It seems to me that the starting 20 point is: did you personally contact Mrs Arnall again? 21 MR McQUATER: Mr So, let me try this again. After the time 22 that you learned that Mr Brown had become furious, did 23 you personally make any further attempt to contact 24 Ms Arnall? 25 A. No.</p>	<p>1 a second. In your statement, at paragraph 69 you say 2 that you had sent your letter to HSBC on 18th April and 3 in paragraph 71 you say you did not receive a response: 4 "I was told by Ms Lu that apparently HSBC London had 5 passed our letter to Mr Brown." 6 Now, after you learn that Mr Brown had become 7 furious, who made the decision to proceed with this 8 investment? 9 A. First of all, to whom this question is directed to? 10 I do not understand your question. 11 Q. Let me try to be clear. After you had learned that 12 Mr Brown had become furious about your letter to HSBC, 13 who then took the decision to proceed with 14 the investment? (Pause) 15 A. As I just said, after our analysis, we felt -- we 16 felt -- we trusted HSBC bank very much, and then HSBC 17 bank needed to consult with Mr Brown. Therefore, both 18 Ms Lu and I felt we were confident in this investment. 19 Q. Are you saying that you and Ms Lu made the decision to 20 proceed with the investment? 21 A. I can't remember very much details. What I remember is 22 we all agreed to proceed with the investment. 23 Q. So who are the individuals who took the decision to 24 proceed with the investment? 25 A. So what is your question?</p>
<p>Page 41</p> <p>1 Q. Are you aware of Ms Lu making any further attempt to 2 contact Ms Arnall? 3 A. No, I did not know. 4 Q. After the time you learned of Mr Brown becoming furious, 5 did you make any attempt to contact any other officer or 6 representative of HSBC? 7 A. No. 8 Q. Are you aware of Ms Lu making any attempt to contact any 9 other officer or representative of HSBC after you 10 learned Mr Brown had become furious? 11 A. No, I did not know. 12 Q. After you had learned Mr Brown had become furious, you 13 didn't at any stage ask Ms Lu to contact Ms Arnall, did 14 you? 15 A. Correct. As I already said, I believe he had a high 16 position, very senior position, within HSBC bank and 17 also, the bank itself had high regard to Mr Brown. So 18 therefore, I had no reason to doubt anything. 19 Q. Mr So, on the chronology we've reached 19th April 2005. 20 I suggest it was at or about that time that you learned 21 that Mr Brown had become furious. Does that sound 22 right? Does that sound as though that was at or about 23 that time that you learned this information? 24 A. Could you repeat your question, please? 25 Q. Perhaps I can help with your statement; give me</p>	<p>Page 43</p> <p>1 Q. Well, when I asked you about this the other day, Mr So, 2 I asked you who made the decisions in relation to 3 the investment, and you declined to answer and told me 4 there was a process. What I would like to know is which 5 person or persons took the decision to make this 6 investment? 7 A. As I already answered, after our analysis both Mr Lu and 8 I agreed to proceed with the investment. 9 Q. So, you and Ms Lu took the decision? 10 A. We both agreed to proceed with this investment. So what 11 do you think -- do you think how should I define? 12 Q. As I understand it, this was in large part family money 13 that was being invested, wasn't it, Mr So? 14 A. Correct. 15 Q. Were other members of your family involved in making 16 decisions about this investment? 17 A. My family members trust me very much. From my previous 18 answers, you should have known the process. 19 Q. Can you explain the process to me? Who is involved in 20 it? 21 A. What would you like me to explain? 22 Q. Well, I would like you to explain what the process is 23 and who is involved in it. 24 A. This question is just too big. I can't answer you. 25 Q. Well, is your father involved in making -- let me put</p>
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11 (Pages 41 to 44)

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1 that more directly. Was your father involved in making
2 decisions about this investment?
3 A. The family had already agreed that I was going to carry
4 out this business.
5 Q. So am I to understand that the individuals who took
6 the decision to invest in 5th Avenue Partners were
7 yourself and Ms Lu?
8 A. Correct.
9 Q. My Lord, that might be a good point to break.
10 MR JUSTICE WALKER: Could I mention something. There is
11 a group of 20 law students from Yale University who wish
12 to come and see something of this trial on Monday.
13 I think that we could squeeze them in if we were to make
14 use of the row of seats over there, and for that
15 purpose, it will be necessary just to move some of
16 the box files. Perhaps they could come – the top two
17 and a half rows might perhaps come to the front before
18 Monday, if that could be achieved.
19 MR VINALL: I am sure we could sort something out, my Lord.
20 MR JUSTICE WALKER: Thank you very much. 2 o'clock then.
21 (1.00 pm)
22 (The short adjournment)
23 (2.00 pm)
24 MR McQUAIGER: Mr So, good afternoon. We were looking before
25 lunch at an email on page 113 of cross-examination

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1 bundle 2. The email we looked at was dated
2 19th April 2005; you may just keep your finger in that
3 page, please, and turn on if you would, perhaps with
4 some assistance, to a new page that was added which you
5 recently disclosed. It is added after page 124 and it
6 is number X2/124/A1. The page we are now looking at, at
7 X2/124/A1, Mr So, as I understand it, is your
8 instruction to HSBC Hong Kong to transfer
9 the \$30 million, is that right?
10 A. Yes. That is right.
11 Q. So, we see that the instruction was actually given on
12 20th April. If you could, please, then look back to
13 where we were on page 113, I want you to look at
14 the bottom email on that page. There are two emails on
15 the page. It is an email from Ms Lu to Michael Brown on
16 18th April, so it is two days before the instruction we
17 just looked at.
18 She says this:
19 "Hi Michael, thank you for your email. Now I have
20 successfully log in your website. It is amazing."
21 Then she says this:
22 "We have finished the documents in HSBC Hong Kong
23 for the fund transfer and paid US\$60,000 penalty.
24 I think the fund will be transferred on Thursday."
25 Am I right in thinking, Mr So, that the documents

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1 for the fund transfer were prepared on 18th April?
2 A. I can't remember.
3 Q. Can you remember if you had already by the 18th April
4 incurred a penalty with HSBC Hong Kong for breaking your
5 time deposit?
6 A. I can't remember.
7 Q. Now, we've reached – if you come on to the document we
8 looked at a moment ago, X2/124/A1, just behind
9 page 124 – we've reached 20th April, Mr So. Was there
10 any urgent need for you to make this investment on
11 20th April?
12 A. I can't remember.
13 Q. By that, I mean was there any particular deadline or
14 pressure of time that was on you to make the investment?
15 A. I can't remember.
16 Q. Well, as far as I can tell, Mr So, you could have taken
17 as much time as you liked to decide about this
18 investment?
19 A. I don't understand what you are saying.
20 Q. I am suggesting that there is no particular time
21 pressure on you to make this investment, so if you had
22 wished to take time, for example, to get advice, you
23 could have done so. Is that right? (Pause)
24 A. I didn't think of it, I didn't think about it.
25 Q. You weren't aware of any time pressure being placed on

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1 you by anybody to make this investment; is that correct?
2 A. That is right, there was no pressure.
3 Q. So if you had wanted to get –
4 A. You were asking me that there was – nobody was giving
5 me pressure regarding time?
6 Q. Yes, nobody was putting pressure of time on you to make
7 this investment.
8 A. That is correct.
9 Q. Had you wished to do so, you would have had time to have
10 the letter of instruction, the Land Base agreement, and
11 the letter of reference translated. You could have done
12 that if you had wished to do so; you had the time,
13 Mr So. That is correct, isn't it? You had time to do
14 that, had you chosen to do so?
15 A. I didn't think of it.
16 Q. And you could have taken professional advice if you had
17 wished to do so? You had the time to take professional
18 advice if you had wished to do so, Mr So, didn't you?
19 A. Can you ask the question again?
20 Q. You could have taken professional advice – let me start
21 again.
22 You had the time to take professional advice if you
23 had wished to do so, didn't you, Mr So?
24 A. That is correct.
25 Q. Now, let me turn to the period of time after

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12 (Pages 45 to 48)

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HSBC

18th October 2007

<p>1 anything. I haven't decided but I don't think it will 2 be more than 10 minutes. 3 MR JUSTICE WALKER: In those circumstances, I think the 4 sensible course is that we have our break right now. We 5 will resume at 3.15, and that would be on the basis that 6 you will have from 3.15 to 4 o'clock. 7 MR McQUATER: Understood, my Lord. 8 MR JUSTICE WALKER: I am sure that the break will give you 9 enough time to make any necessary revisions to your 10 planned questions. 11 MR McQUATER: I entirely understand, my Lord, yes. 12 (3.00 pm) 13 (A short break) 14 (3.15 pm) 15 MR McQUATER: Mr So, I hope you still have your statement 16 open in front of you, paragraph 76. Do you have your 17 statement? 18 A. (Nods) 19 Q. As I understand your evidence, Mr So, you are saying 20 that at the time that you agreed to settle on the terms 21 described in that paragraph, you did not ask Lucy Lu 22 what the reason for the settlement was, the reason why 23 there had to be a settlement. 24 THE INTERPRETER: Could the interpreter -- repeat 25 the question again?</p> <p style="text-align: center;">Page 61</p>	<p>1 passport attached. Moving back to page 210, 2 the substance of this document is that Mr Larue is 3 engaged by you and by Ms Lu to act as legal counsel. Do 4 you now remember signing a document to engage Mr Larue 5 as your legal counsel? 6 A. I can't remember. 7 Q. You don't remember signing this document? 8 A. I can't remember this document. 9 Q. That is your signature on page 211, is it, Mr So? 10 A. Yes. 11 Q. Do you remember if you had any conversations with 12 Mr Larue? 13 A. No. 14 Q. Now, we know from other documents in this case, Mr So, 15 that there was a meeting in Monterey in California on 16 31st October 2005 which was attended by Mr Larue and 17 others. The matters I am going to summarise for you -- 18 THE INTERPRETER: Sorry, the interpreter forgot the name of 19 the city in California? 20 MR McQUATER: Monterey in California. That meeting was on 21 31st of October 2005. And the meeting was attended by 22 Mr Larue, Boris Lopatin, and a lawyer from Michael Brown 23 called Keith Oliver. Did you know anything about this 24 meeting? 25 A. I know there was a meeting, a meeting had been held.</p> <p style="text-align: center;">Page 63</p>
<p>1 MR McQUATER: At the time you agreed to these terms of 2 settlement referred to in paragraph 76, did you know 3 the reason why a settlement was necessary? 4 A. No. 5 Q. And you didn't ask Ms Lu? 6 A. Correct. 7 Q. In her statement, Ms Lu tells us that by the end of 8 October 2005 at least, that Mr Lopatin was telling her 9 that Mr Brown had concealed trades from investors. Do 10 you remember being told that? 11 A. I can't remember. 12 Q. I think you and Ms Lu subsequently instructed a lawyer 13 called Mr Larue; do you remember that, Mr So? Do you 14 remember instructing a lawyer called Mr Larue? 15 THE INTERPRETER: The interpreter would like counsel to 16 spell the name. 17 MR McQUATER: L-A-R-U-E. 18 A. I can't remember. 19 Q. Could you look at the bundle, please, at page -- 20 cross-examination bundle 2, page 2/210. This is 21 a document in English with Mr Larue's name at the top. 22 It gives the name of his law firm, and it is dated 23 20th October 2005. If you look over the page to 24 page 211, Mr So, you should find your signature. And 25 two pages on at 213, you will find a copy of your</p> <p style="text-align: center;">Page 62</p>	<p>1 I am not so sure about the details. 2 Q. Let me try to remind you. We know from other documents, 3 Mr So, that at the meeting Mr Brown's lawyer handed over 4 a box of papers to Mr Larue and Mr Lopatin. 5 A. Who gave who a box of documents? 6 Q. Mr Brown's lawyer handed over a box of documents to your 7 lawyer, Mr Larue, and to Mr Lopatin. And that box 8 contained documents from this legal action and details 9 of HSBC's allegations about Michael Brown, including 10 HSBC's allegations that Michael Brown had dishonestly 11 stolen investors' money. Were you aware of that? 12 A. No. 13 Q. Did your lawyer, Mr Larue, not tell you what had 14 happened at that meeting? 15 A. I knew that the meeting wasn't -- was not successful. 16 Q. Well, you have invested 30 million in a transaction in 17 London and your lawyer has by this stage been informed 18 of serious allegations of fraud relating to that 19 transaction. Are you saying that he didn't tell you 20 about that? 21 A. Any external business was handled by Ms Lu on my behalf. 22 Q. Did Ms Lu tell you about these allegations? 23 A. No. 24 Q. She didn't tell you that HSBC was saying that 25 Michael Brown had stolen monies from investors in</p> <p style="text-align: center;">Page 64</p>

16 (Pages 61 to 64)

Day 9

HSBC

18th October 2007

1 the London transaction?
2 A. What she told me was the meeting wasn't successful.
3 Q. Could you turn, please, to cross-examination bundle 2,
4 page 269? At page 269, there is an email dated
5 17th November now, 17th November 2005. It is an email
6 that has been forwarded along the way but the original
7 email at the bottom is from a gentleman called Ivan at
8 HSBC in Hong Kong. And in the text of the email, he
9 says this:
10 "Kevin So called me this afternoon. He said after
11 discussion with his lawyers that he has decided that
12 there will be no lawyer's letter."
13 THE INTERPRETER: The interpreter would like to clarify "no
14 lawyer's letter"; does that just mean lawyer's letter?
15 MR McQUATER: No letter from Mr So's lawyer, I beg your
16 pardon. It then says under number 1 -- I am sorry,
17 I should read the line above that:
18 "He mentioned the following two points as a reply to
19 the queries. (1) that he [that is referring to you,
20 Mr So] that he has nothing to do with all
21 the transactions. When I clarified the statement with
22 him, he said he had no knowledge about all
23 the transactions, eg buying a jet."
24 THE INTERPRETER: The interpreter would like to clarify;
25 buying a jet means literally buying an aeroplane?

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1 MR McQUATER: An aeroplane.
2 THE INTERPRETER: Okay, okay. So it's not some Stock
3 Exchange term --
4 MR McQUATER: No, it is a jet aeroplane:
5 "But he did not answer other questions put to him
6 the other day."
7 Now, do you remember a conversation with Ivan at
8 HSBC Hong Kong?
9 A. There was a gentleman from the Hong Kong branch talked
10 to me. I wasn't so sure whether this person was from
11 the security department or the securities department.
12 Q. Do you remember calling him?
13 A. I remember I had a telephone conversation with him.
14 Q. In this email, he says that you made reference to all
15 the transactions, for example, buying a jet. Does that
16 refresh your memory, Mr So, as to when you found out
17 about the allegations against Michael Brown?
18 A. I can't remember. During my conversation with this
19 gentleman, I was told there was some problem between
20 HSBC bank and Mr Brown.
21 He asked me to co-operate with the investigation in
22 order for me to get my \$30 million investment back.
23 (Pause)
24 Q. Sorry, had you finished, Mr So?
25 A. That is as far as I could remember.

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1 Q. Was reference made in this telephone conversation to any
2 allegation that Michael Brown had used investors' money
3 to buy a jet aeroplane?
4 A. I can't remember.
5 Q. Back to the bundle, please, this time page 272; another
6 document in English, Mr So. It is headed "Agreement and
7 undertaking by mutual consent" and the date is
8 22nd November 2005. Mr So, this is another settlement
9 agreement and it is between Michael Brown and
10 a gentleman called Basil Aucott-Young, who is purporting
11 to act for Kevin So, Lucy Lu, Robert Mann and
12 Charles Edwards. Do you remember instructing
13 Basil Aucott-Young in this matter?
14 A. Appointing what?
15 Q. Appointing him to act on your behalf in order to
16 negotiate a settlement with Mr Brown?
17 A. I can't remember.
18 Q. Your solicitors, your English solicitors in this action,
19 Mr So, the first firm you instructed, a firm called
20 Goodman Derrick -- do you remember instructing them?
21 A. I remember this name.
22 Q. Well, they acknowledged service of these legal
23 proceedings on your behalf, on 30th November 2005. So
24 you understand what I am saying, Mr So? That by
25 30th November 2005, your own lawyers in England have

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1 acknowledged service of this legal action. So am
2 I right in thinking that by that stage at least you were
3 aware of HSBC's allegations that Michael Brown had
4 stolen money from investors in the London transaction?
5 A. I can't remember the exact time. I only -- I only knew
6 our principal money had been moved from the account.
7 Q. Well, when you learned that, Mr So, that must have been
8 quite a shock, wasn't it?
9 A. Yes.
10 Q. I am surprised you can't remember when and in what
11 circumstances you learned that news. Is that right?
12 Are you telling the court you simply can't remember when
13 you learned that news?
14 A. Correct.
15 Q. Can you remember if it was before or after you
16 instructed Goodman Derrick in London? (Pause)
17 A. I remember it was in March, year 2006, when I paid
18 the solicitor fees, then I knew -- I learned
19 the capital -- no, the principal money had been moved.
20 Q. So you think you learned that in March 2006, is that
21 right?
22 A. That is my recollection, my current recollection.
23 Q. Were you giving instructions to Goodman Derrick or was
24 somebody else doing that for you? (Pause)
25 A. What kind of instruction?

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17 (Pages 65 to 68)

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1 Q. Well, English solicitors, Mr So, have obligations when
2 they take on new clients. They have to establish their
3 new client's identity and so forth, matters like that.
4 I am asking whether you were involved in giving
5 instructions to Goodman Derrick when they were
6 instructed back in November 2005.
7 A. I can't remember.
8 Q. Can you remember when you first reported this matter to
9 the police?
10 A. Reported to police where?
11 Q. In England, the police in England.
12 A. I can't remember.
13 Q. Do you still consider that Boris Lopatin acted honestly
14 in this transaction?
15 THE INTERPRETER: "Did you" or "do you"?
16 MR McQUATER: Boris Lopatin.
17 THE INTERPRETER: No, "did you" or "do you"?
18 MR McQUATER: Do you; do you still consider that he acted
19 honestly in this transaction?
20 A. I wasn't so clear on what his activities were during
21 the process.
22 Q. Have you ever at any time, Mr So, done your own research
23 or made enquiries as to the propriety of private
24 placement investments?
25 THE INTERPRETER: The interpreter would like to clarify one

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1 word, "propriety".
2 MR McQUATER: Perhaps if I say the legitimacy of --
3 THE INTERPRETER: Yes, okay, thank you.
4 MR McQUATER: -- of private placement investments.
5 A. Enquiring from who?
6 Q. Well, have you ever asked any -- even to this day, have
7 you ever asked any financial adviser, for example,
8 whether such investments are legitimate or whether
9 the kinds of profits you were told about could be made
10 from them?
11 A. No.
12 Q. Would your Lordship just give me one moment. (Pause)
13 Mr So, you remember we talked a couple of days ago
14 about some notes that you thought may still exist in
15 your office in Guangzhou? You remember us discussing
16 those notes?
17 A. Yes.
18 Q. I now understand, and please correct me if I am wrong,
19 I now understand that you say that if such notes still
20 exist, they will be on your desk in your office in
21 Guangzhou. Is that correct?
22 A. Correct, yes.
23 Q. So if there are such notes they will be lying on your
24 desk or in some papers on your desk; is that correct?
25 A. Correct.

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1 Q. One other unrelated matter, Mr So: you mentioned to me
2 before lunch that you thought that Mr Brown had a senior
3 position in HSBC.
4 A. Yes.
5 Q. Did that affect your decision to make this investment?
6 A. Affect what?
7 Q. Your decision to make this investment.
8 A. I don't understand.
9 Q. Was that something that you took into account when you
10 made this investment? (Pause)
11 A. What kind of effect, or what kind of influence?
12 Q. Was that something that made you feel positive about
13 the investment?
14 THE INTERPRETER: I said to the witness please complete
15 the sentence before I translate. (Pause)
16 A. The position -- Mr Brown's position within HSBC bank
17 gave me confidence for transferring the money from HSBC
18 Hong Kong to London. As I said before lunch.
19 MR McQUATER: I see. Would you have made this investment if
20 you had not believed that Mr Brown had a senior position
21 at HSBC?
22 THE INTERPRETER: The interpreter would like counsel to
23 repeat the question.
24 MR McQUATER: Would you have made this investment if you had
25 not believed that Mr Brown had a senior position at

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1 HSBC?
2 A. Throughout the -- from the very beginning to the end,
3 I had trusted the HSBC bank.
4 MR McQUATER: Yes, thank you, Mr So. I have no further
5 questions.
6 MR JUSTICE WALKER: Mr Vineall.
7 MR VINEALL: I have no re-examination, thank you.
8 MR JUSTICE WALKER: I have no questions.
9 Now, this witness, I hope can be released and can
10 now return to China?
11 MR McQUATER: My Lord, your Lordship knows that we haven't
12 yet received any notes that might be from Mr So's office
13 but I am not in a position to say that that is a reason
14 why he shouldn't be released.
15 MR JUSTICE WALKER: Mr So, thank you for your help. You are
16 released. That means that you are under no obligation
17 to return to this court. You are also now free to talk
18 about the case with others if you wish to do so.
19 However, I would like just to canvass with counsel
20 the extent to which it would be appropriate for you to
21 talk to Ms Lu or Mr Mann. What do counsel have to say
22 about that?
23 MR McQUATER: My Lord, from our point of view, we would
24 consider it very undesirable that Mr So should speak to
25 Ms Lu before her evidence. Her evidence overlaps in

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18 (Pages 69 to 72)

1 Q. No, what I mean is: how did you know that this was
2 a genuine letter from HSBC and had not been forged by
3 one of the gentlemen that Ms Lu had met in London?
4 A. I trusted HSBC, I never thought that anyone would forge
5 a letter from HSBC. Can you tell me, were there
6 instances that someone produced a letter of forgery from
7 HSBC?
8 Q. Well, I ask the questions, Mr So.
9 So the possibility that the letter might be
10 a forgery never crossed your mind?
11 A. I said I trusted HSBC completely.
12 Q. You didn't consider it would be sensible to check with
13 HSBC that this was indeed a genuine document?
14 A. I trusted HSBC completely.

15 Q. Yes, but how did you know that this was a genuine HSBC
16 letter, Mr So?
17 A. It never occurred to me that someone will produce
18 a letter of forgery from HSBC.
19 Q. Now, you recall Mr So, that before Ms Lu went to London,
20 you signed certain documents relating to the opening of
21 a non-depletion account. Do you remember that?
22 A. Are you referring to what I am required to do and that
23 is; a letter of authorisation regarding signatory, for
24 Ms Lu?
25 Q. Yes. So when Ms Lu went to London, you were expecting

1 Q. Was it of no interest to you to discover why a gentleman
2 with whom you were about to invest US\$30 million might
3 have become furious?

4 A. I had not thought about it.

5 Q. Well, didn't you ask Ms Lu why Mr Brown was furious?

6 A. She said any correspondence should be done through
7 Mr Brown.

8 Q. Well, I would invite you to be somewhat more frank with
9 the court, Mr So. I suggest that she did tell you about
10 this email.

11 A. Totally wrong.

12 Q. And I suggest that you understood a number of things
13 from your discussion with Ms Lu. First, I suggest that
14 you knew that Mr Brown had said that your letter to HSBC
15 was unacceptable. You knew that, didn't you?

16 A. Yes, I knew about this point, yes.

17 Q. Yes, thank you.

18 Now, you also knew that Mr Brown had told Ms Lu that
19 he had asked HSBC London to cease communication?

20 A. No, I did not know.

21 Q. Well, I suggest you knew that from your discussion with
22 Ms Lu, and you therefore knew that you would not be
23 receiving a response to your letter to HSBC. That is
24 right, isn't it, Mr So? You knew that Ms Lu had been
25 told that Mr Brown had told HSBC to cease communication?

1 A. Okay. It didn't come as a surprise, it is more like
2 curious, because our letter was sent to HSBC bank. HSBC
3 bank did not answer my questions; instead they went
4 directly to ask Mr Brown. On top of that, after your
5 explanation to me today, when Mr Brown asked HSBC London
6 not to communicate with me, then HSBC London stopped
7 communicating with me. So you thought on the basis of
8 that I should be surprised? Is that what you meant,
9 Mr Counsel?

10 Q. Let me clarify. By your last answer, did you mean that
11 at the time, that is to say, on or about
12 19th April 2005, you knew that Mr Brown had told HSBC
13 not to respond to your letter?

14 A. Whether they should communicate with me, I didn't know
15 about that. My answers I just given is referring to
16 your question to say whether I was surprised.

17 Q. Okay. One reason why I suggest you would have been
18 surprised by Mr Brown's response -- I am sorry,
19 Mr Brown's reaction, is that it was contrary to
20 something he had previously told Ms Lu. To explain to
21 you what I mean, Mr So -- we've looked at it already but
22 let's look again at paragraph 58 of your statement:
23 "I recall Ms Lu saying that Mr Brown and Mr Lopatin
24 both had told her that if we had any doubts about
25 the investment we could contact Ms Arnall at HSBC

1 directly to make any further enquiries."

2 A. So now what is your question?

3 Q. Well, you told me before that that paragraph is true.

4 A. Yes.

5 Q. So, Mr Brown in reacting the way he did was acting
6 contrary to what he and Mr Lopatin had previously told
7 Ms Lu.

8 A. So what is your question? What would you need me to
9 answer?

10 Q. Let me try to simplify. Mr Lopatin and Mr Brown had
11 previously told Ms Lu that you and she could contact
12 HSBC directly. A few days later, you contact HSBC
13 directly and Mr Brown becomes furious. Didn't that
14 surprise you?

15 A. Before I answer this question, could you explain
16 something to me?

17 Q. What would you like to have explained, Mr So?

18 A. The letter we sent to HSBC, did the bank need to consult
19 with Mr Brown in advance?

20 Q. No, I ask the questions, Mr So.

21 I think you understand perfectly well what I am
22 putting to you.

23 A. I already asked your permission.

24 Q. Mr Brown, as you knew, had told Ms Lu that you and she
25 could contact HSBC directly. That is exactly what you

1 Q. Are you aware of Ms Lu making any further attempt to
2 contact Ms Arnall?

3 A. No, I did not know.

4 Q. After the time you learned of Mr Brown becoming furious,
5 did you make any attempt to contact any other officer or
6 representative of HSBC?

7 A. No.

8 Q. Are you aware of Ms Lu making any attempt to contact any
9 other officer or representative of HSBC after you
10 learned Mr Brown had become furious?

11 A. No, I did not know.

12 Q. After you had learned Mr Brown had become furious, you
13 didn't at any stage ask Ms Lu to contact Ms Arnall, did
14 you?

15 A. Correct. As I already said, I believe he had a high
16 position, very senior position, within HSBC bank and
17 also, the bank itself had high regard to Mr Brown. So
18 therefore, I had no reason to doubt anything.

19 Q. Mr So, on the chronology we've reached 19th April 2005.
20 I suggest it was at or about that time that you learned
21 that Mr Brown had become furious. Does that sound
22 right? Does that sound as though that was at or about
23 that time that you learned this information?

24 A. Could you repeat your question, please?

25 Q. Perhaps I can help with your statement; give me

1 Q. Well, when I asked you about this the other day, Mr So,
2 I asked you who made the decisions in relation to
3 the investment, and you declined to answer and told me
4 there was a process. What I would like to know is which
5 person or persons took the decision to make this
6 investment?

7 A. As I already answered, after our analysis both Ms Lu and
8 I agreed to proceed with the investment.

9 Q. So, you and Ms Lu took the decision?

10 A. We both agreed to proceed with this investment. So what
11 do you think -- do you think how should I define?

12 Q. As I understand it, this was in large part family money
13 that was being invested, wasn't it, Mr So?

14 A. Correct.

15 Q. Were other members of your family involved in making
16 decisions about this investment?

17 A. My family members trust me very much. From my previous
18 answers, you should have known the process.

19 Q. Can you explain the process to me? Who is involved in
20 it?

21 A. What would you like me to explain?

22 Q. Well, I would like you to explain what the process is
23 and who is involved in it.

24 A. This question is just too big. I can't answer you.

25 Q. Well, is your father involved in making -- let me put

1 for the fund transfer were prepared on 18th April?

2 A. I can't remember.

3 Q. Can you remember if you had already by the 18th April
4 incurred a penalty with HSBC Hong Kong for breaking your
5 time deposit?

6 A. I can't remember.

7 Q. Now, we've reached -- if you come on to the document we
8 looked at a moment ago, X2/124/A1, just behind
9 page 124 -- we've reached 20th April, Mr So. Was there
10 any urgent need for you to make this investment on
11 20th April?

12 A. I can't remember.

13 Q. By that, I mean was there any particular deadline or
14 pressure of time that was on you to make the investment?

15 A. I can't remember.

16 Q. Well, as far as I can tell, Mr So, you could have taken
17 as much time as you liked to decide about this
18 investment?

19 A. I don't understand what you are saying.

20 Q. I am suggesting that there is no particular time
21 pressure on you to make this investment, so if you had
22 wished to take time, for example, to get advice, you
23 could have done so. Is that right? (Pause)

24 A. I didn't think of it, I didn't think about it.

25 Q. You weren't aware of any time pressure being placed on

1 you by anybody to make this investment; is that correct?

2 A. That is right, there was no pressure.

3 Q. So if you had wanted to get --

4 A. You were asking me that there was -- nobody was giving
5 me pressure regarding time?

6 Q. Yes, nobody was putting pressure of time on you to make
7 this investment.

8 A. That is correct.

9 Q. Had you wished to do so, you would have had time to have
10 the letter of instruction, the Land Base agreement, and
11 the letter of reference translated. You could have done
12 that if you had wished to do so; you had the time,
13 Mr So. That is correct, isn't it? You had time to do
14 that, had you chosen to do so?

15 A. I didn't think of it.

16 Q. And you could have taken professional advice if you had
17 wished to do so? You had the time to take professional
18 advice if you had wished to do so, Mr So, didn't you?

19 A. Can you ask the question again?

20 Q. You could have taken professional advice -- let me start
21 again.

22 You had the time to take professional advice if you
23 had wished to do so, didn't you, Mr So?

24 A. That is correct.

25 Q. Now, let me turn to the period of time after

1 MR McQUATER: At the time you agreed to these terms of
2 settlement referred to in paragraph 76, did you know
3 the reason why a settlement was necessary?

4 A. No.

5 Q. And you didn't ask Ms Lu?

6 A. Correct.

7 Q. In her statement, Ms Lu tells us that by the end of
8 October 2005 at least, that Mr Lopatin was telling her
9 that Mr Brown had concealed trades from investors. Do
10 you remember being told that?

11 A. I can't remember.

12 Q. I think you and Ms Lu subsequently instructed a lawyer
13 called Mr Larue; do you remember that, Mr So? Do you
14 remember instructing a lawyer called Mr Larue?

15 THE INTERPRETER: The interpreter would like counsel to
16 spell the name.

17 MR McQUATER: L-A-R-U-E.

18 A. I can't remember.

19 Q. Could you look at the bundle, please, at page --
20 cross-examination bundle 2, page 2/210. This is
21 a document in English with Mr Larue's name at the top.
22 It gives the name of his law firm, and it is dated
23 20th October 2005. If you look over the page to
24 page 211, Mr So, you should find your signature. And
25 two pages on at 213, you will find a copy of your

1 passport attached. Moving back to page 210,
2 the substance of this document is that Mr Larue is
3 engaged by you and by Ms Lu to act as legal counsel. Do
4 you now remember signing a document to engage Mr Larue
5 as your legal counsel?

6 A. I can't remember.

7 Q. You don't remember signing this document?

8 A. I can't remember this document.

9 Q. That is your signature on page 211, is it, Mr So?

10 A. Yes.

11 Q. Do you remember if you had any conversations with
12 Mr Larue?

13 A. No.

14 Q. Now, we know from other documents in this case, Mr So,
15 that there was a meeting in Monterey in California on
16 31st October 2005 which was attended by Mr Larue and
17 others. The matters I am going to summarise for you --
18 THE INTERPRETER: Sorry, the interpreter forgot the name of
19 the city in California?

20 MR McQUATER: Monterey in California. That meeting was on
21 31st of October 2005. And the meeting was attended by
22 Mr Larue, Boris Lopatin, and a lawyer from Michael Brown
23 called Keith Oliver. Did you know anything about this
24 meeting?

25 A. I know there was a meeting, a meeting had been held.

1 the London transaction?

2 A. What she told me was the meeting wasn't successful.

3 Q. Could you turn, please, to cross-examination bundle 2,
4 page 269? At page 269, there is an email dated
5 17th November now, 17th November 2005. It is an email
6 that has been forwarded along the way but the original
7 email at the bottom is from a gentleman called Ivan at
8 HSBC in Hong Kong. And in the text of the email, he
9 says this:

10 "Kevin So called me this afternoon. He said after
11 discussion with his lawyers that he has decided that
12 there will be no lawyer's letter."

13 THE INTERPRETER: The interpreter would like to clarify "no
14 lawyer's letter"; does that just mean lawyer's letter?

15 MR McQUATER: No letter from Mr So's lawyer, I beg your
16 pardon. It then says under number 1 -- I am sorry,
17 I should read the line above that:

18 "He mentioned the following two points as a reply to
19 the queries. (1) that he [that is referring to you,
20 Mr So] that he has nothing to do with all
21 the transactions. When I clarified the statement with
22 him, he said he had no knowledge about all
23 the transactions, eg buying a jet."

24 THE INTERPRETER: The interpreter would like to clarify;
25 buying a jet means literally buying an aeroplane?

1 MR McQUATER: An aeroplane.

2 THE INTERPRETER: Okay, okay. So it's not some Stock

3 Exchange term --

4 MR McQUATER: No, it is a jet aeroplane:

5 "But he did not answer other questions put to him
6 the other day."

7 Now, do you remember a conversation with Ivan at
8 HSBC Hong Kong?

9 A. There was a gentleman from the Hong Kong branch talked
10 to me. I wasn't so sure whether this person was from
11 the security department or the securities department.

12 Q. Do you remember calling him?

13 A. I remember I had a telephone conversation with him.

14 Q. In this email, he says that you made reference to all
15 the transactions, for example, buying a jet. Does that
16 refresh your memory, Mr So, as to when you found out
17 about the allegations against Michael Brown?

18 A. I can't remember. During my conversation with this
19 gentleman, I was told there was some problem between
20 HSBC bank and Mr Brown.

21 He asked me to co-operate with the investigation in
22 order for me to get my \$30 million investment back.

23 (Pause)

24 Q. Sorry, had you finished, Mr So?

25 A. That is as far as I could remember.

1 Q. One other unrelated matter, Mr So: you mentioned to me
2 before lunch that you thought that Mr Brown had a senior
3 position in HSBC.

4 A. Yes.

5 Q. Did that affect your decision to make this investment?

6 A. Affect what?

7 Q. Your decision to make this investment.

8 A. I don't understand.

9 Q. Was that something that you took into account when you
10 made this investment? (Pause)

11 A. What kind of effect, or what kind of influence?

12 Q. Was that something that made you feel positive about
13 the investment?

14 THE INTERPRETER: I said to the witness please complete
15 the sentence before I translate. (Pause)

16 A. The position -- Mr Brown's position within HSBC bank
17 gave me confidence for transferring the money from HSBC
18 Hong Kong to London. As I said before lunch.

19 MR McQUATER: I see. Would you have made this investment if
20 you had not believed that Mr Brown had a senior position
21 at HSBC?

22 THE INTERPRETER: The interpreter would like counsel to
23 repeat the question.

24 MR McQUATER: Would you have made this investment if you had
25 not believed that Mr Brown had a senior position at